WORK INCENTIVES FOR DISABLED AMERICANS/Final Passage

SUBJECT: Work Incentives Improvement Act . . . S. 331. Final passage, as amended.

ACTION: BILL PASSED, 99-0

SYNOPSIS: As passed, S. 331, the Work Incentives Improvement Act, will expand the availability of health care services for disabled Americans who enter the workforce. Also, it will create the Ticket to Work and Self Sufficiency Program, which will give beneficiaries access to employment services, vocational rehabilitation services, and other support services from employment networks of their choice. Details are provided below.

Health Care Services:

- States will have the option of eliminating income, asset, and resource limitations for workers with disabilities who wish to buy Medicaid coverage (most States currently link eligibility for Medicaid with eligibility for Supplemental Security Income (SSI), which has income, asset, and resource limitations; 11 States have more restrictive requirements);
 - States will have the option of permitting employed individuals with a medically improved disability to buy Medicaid coverage;
- States will be permitted to require premiums or to impose other cost-sharing charges on a sliding scale for these two new options; they will be permitted to charge the full premium cost for individuals whose incomes are above 250 percent of the Federal poverty level;
- Federal funds used to pay for Medicaid coverage under these two new options must be used to supplement rather than to supplant State funds that are used for existing State programs to assist disabled individuals in finding work;
- Medicare Part A (hospitalization) coverage will be provided, without a premium charge, for 10 years following the enactment of this Act for Supplemental Security Disability Income (SSDI) beneficiaries who join the workforce; a report will be prepared within 8 years that will assess the cost and the effectiveness of this extended coverage in encouraging employment;
- Federal grants will be given to States to design, establish, and operate infrastructures that provide items and services to support working individuals with disabilities; and
 - a State demonstration program will be established to provide medical assistance equal to that provided under Medicaid to

(See other side)

	YEAS (99)				NAYS (0)		NOT VOTING (1)	
Republican (55 or 100%)		Den	Democrats		Democrats (0 or 0%)	Republicans	Democrats (1)	
		(44 or 100%)		(0 or 0%)		(0)		
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Voinovich Warner	Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Hollings Inouye Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden			EXPLANAT 1—Official E 2—Necessari 3—Illness 4—Other SYMBOLS: AY—Annous AN—Annous PY—Paired I	ly Absent nced Yea nced Nay Yea	

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disabled individuals who are "workers with a potentially severe disability."

Ticket to Work and Self-Sufficiency Program:

• the Social Security Commission will provide each SSI and SSDI beneficiary with a "ticket" which may be used to obtain employment services, vocational rehabilitation services, and other support services from an employment network (participating provider) of his or her choice;

- State, other public, and private employment networks will be eligible to participate; the Social Security Commission will set eligibility standards for employment networks; employment networks will not charge fees for providing services (they will be paid through the program based on their effectiveness in helping disabled Americans find gainful employment, see below); employment networks may consist of a single provider or an association of providers;
- each beneficiary will develop a written individual work plan with an employment network; each plan will set an employment goal and will state the specific services needed to achieve that goal; and
- an employment network may elect to be paid either under an outcome payment system or an outcome milestone payment system; payments will be based on results (for instance, under the outcome payment system, each month that an employed beneficiary does not receive cash SSDI or SSI benefits the employment network will receive, for no more than 60 months, up to 40 percent of the amount that beneficiary would have received if he or she had remained unemployed).

Elimination of Work Disincentives:

- the standard for work-related continuing disability reviews for long-term SSDI cash beneficiaries will be limited to those reviews triggered by employment that result in earnings that exceed the substantial gainful activity level and to periodic continuing disability reviews; and
- changes will be made to expedite the reinstatement of cash and health benefits for SSDI and SSI beneficiaries who lose those benefits by gaining employment and then need them restored when they lose employment for medical reasons.

Miscellaneous:

- a community-based work incentives planning and assistance program will be established;
- grants will be given to States to provide assistance that is authorized under the Developmental Disabilities Assistance and Bill of Rights Act;
 - various demonstration projects will be authorized;
- incentives will be given to prisons to report information on prisoners to the Social Security Administration so it can identify and terminate Social Security and SSI benefits that may be going to any prisoners; and
 - clergy who have opted out of Social Security will be given a 2-year "open season" in which to enroll if they so choose.

NOTE: As the bill was reported, it contained tax increases to pay for the new entitlement spending that it proposed. Those increases were removed, and a unanimous consent agreement was adopted to make it out of order to consider any conference report on this bill that did not contain provisions to pay for its new mandatory spending by reducing other existing mandatory spending.

Those favoring final passage contended:

The goal of this bill is to help individuals with disabilities go to work. The bill will reform Federal disability programs by improving access to needed services, including health care and employment assistance, and by removing barriers to work. Most people with disabilities who currently receive Federal disability benefits, such as Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), want to work. However, fewer than one-half of 1 percent of those beneficiaries leave the disability rolls each year and become self-sufficient. If disabled individuals try to work and increase their income, they lose their disability cash benefits, and, because their Federal health care benefits are linked to their cash benefits, they lose their health care coverage. The threat of losing health benefits is a powerful disincentive for disabled beneficiaries who want to work. The unemployment rate among working-age adults with severe disabilities is nearly 75 percent. Today, more than 7.5 million disabled Americans receive cash benefits from SSI and SSDI. Disability benefit spending for SSI and SSDI totals \$73 billion a year, making these disability programs together the fourth largest entitlement expenditure in the Federal Government. If only 1 percent--or 75,000--of the 7.5 million disabled adults were to become employed, Federal savings in disability benefits would total \$3.5 billion over the work-lives of the beneficiaries. Surveys show that more than 75 percent of disabled adults on assistance want to go to work. This bill will help them achieve that goal. We are pleased to vote in favor of final passage.

While favoring final passage, some Senators expressed the following reservations:

We support the purpose of this bill, but as it was originally drafted we had to oppose its consideration because it proposed new taxes to pay for its new spending. Thankfully, our colleagues have agreed to take out the tax provisions and to seek a means of paying for the bill by cutting other entitlement spending. With that change, we can now enthusiastically support final passage.

No arguments were expressed in opposition to final passage.